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ABSTRACT

This handbook on determining superintendent compensation is designed as an aid to school boards and superintendents who are in the process of determining superintendent compensation. It outlines a number of practical steps that school boards and superintendents can take in arriving at a rational and equitable compensation decision and provides an analytical framework and rationale for these steps. The handbook includes five chapters. Each chapter contains background information and specific discussion of discrete steps in the compensation process. These steps include (1) establishing a salary framework within which comparative superintendent salary data may be placed, (2) assessing the value of the position of superintendent, (3) evaluating the superintendent's performance, (4) providing those compensation elements that meet board of education and superintendent objectives, and (5) making the final decision regarding superintendent compensation. The appendices present current and historical data on superintendents' contract salaries and how they compare with selected salaries of other administrators, and summarizes some of the more common fringe benefits in use today. (Author/MLF)

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Compensating the Superintendent

(Full Report)

A Joint Publication of the American Association of School
Administrators and the National School Boards Association

Prepared for the
AASA Committee for the Advancement of School Administration (CASA)
by Creasap, McCormick and Paget Inc.

Reviewed and Approved by
The Joint AASA-NSBA Committee

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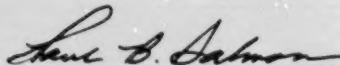
Foreword

Determining a superintendent's compensation can be a complex task. While it involves setting a salary, it also means selecting appropriate benefits, shaping a compensation plan that is right for the position and the community, tailoring the compensation agreement to the individual who holds the position and coupling the compensation process with a sound evaluation system.

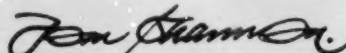
This report—a complete handbook on determining superintendent compensation—takes these variables into consideration and is designed to be a step-by-step guide to help clarify and simplify the process.

Because appropriate compensation is an important matter to both school board members and superintendents, a Joint Committee of the American Association of School Administrators and the National School Boards Association reviewed and approved a manuscript for this report. The result is a handbook which reflects the views of both administrators and board members. The report was commissioned by AASA's Committee for the Advancement of School Administration (CASA) and was prepared by the Washington, D.C. based firm of Creasap, McCormick and Paget Inc., which specialized in the analysis of executive compensation.

We hope this handbook will serve as a valuable resource in determining the right compensation plan for individual superintendents.



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Executive Director
American Association of
School Administrators



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Executive Director
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Association

Preface

This section presents the origin of Compensating the Superintendent, its purpose, the assumptions underlying its approach and the objectives of the study on which this handbook is based.

ORIGIN OF HANDBOOK

The jobs of both school superintendents and school board members require difficult, politically sensitive decision making. One decision made by every school board—almost always on an annual basis—is the decision establishing the superintendent's compensation. It is a decision that is at the heart of the relationship between superintendent and school board. Therefore, the decision affects working relationships in other areas.

The Committee for the Advancement of School Administration (CASA) of the American Association of School Administrators (AASA) has identified the need to attract, motivate and retain superintendents of the highest quality. Compensation possibilities have an influence on the type of people who enter the superintendency, on whether they stay in the profession and on their mobility within the profession.

CASA identified the need for a study of superintendent compensation to consider fairly and objectively the factors relating to levels of compensation, the way compensation decisions are made and other elements. The National School Boards Association (NSBA) shared CASA's interest in such a study particularly as it relates to how school boards might function in making compensation decisions. CASA retained the Washington D.C. based management consulting firm of Cresap, McCormick and Paget Inc. (CMP) to conduct this study. Compensating the Superintendent is the product of that study.

PURPOSE OF HANDBOOK

The handbook is designed as an aid to school boards and superintendents involved in the process of determining superintendent compensation. It outlines a number of practical steps school boards and superintendents can take in arriving at a fair compensation decision and provides an analytical framework and rationale for these steps.

KEY ASSUMPTIONS

Two basic assumptions underlie the approach used in this handbook. First, it is assumed that the process of determining superintendent compensation should be a rational process and based on pertinent factual data. Actually, there is no way to avoid the essentially political nature of the decision and its vulnerability to less rational influences of partisan groups. But political considerations should be minimized and viewed in the context of a sound base of data and rationale, if possible.

Second, determining superintendent compensation is a mutual process and part of the contractual relationship between superintendent and school board. Consequently, it cannot be separate from consideration of the working relationship between the superintendent and the board. The decision should include consideration of the objectives of each party in this relationship. Compensation is viewed as assisting the superintendent in achieving his objectives in return for his work in the accomplishment of school board objectives.

STUDY OBJECTIVES

The objectives of the study on which this handbook is based included examination of the following areas:

- o The current status and variations in superintendent compensation
- o Criteria and rationale for establishing the value of the superintendency
- o Compensation elements in addition to salary and variations of those elements
- o The process of determining superintendent compensation.

The end products of the study include a report and a management letter to the American Association of School Administrators suggesting possible policy and implementation steps which may be taken.

Executive Summary

The complete AASA report on superintendent compensation is a handbook designed as an aid to school boards and superintendents who are in the process of determining superintendent compensation. It outlines a number of practical steps that school boards and superintendents can take in arriving at a rational and equitable compensation decision and provides an analytical framework and rationale for these steps.

The handbook includes five chapters. Each chapter contains background information and specific discussion of discrete steps in the compensation process. These steps include:

- o Establishing a salary framework within which comparative superintendent salary data may be placed
- o Assessing the value of the position of superintendent
- o Evaluating the superintendent's performance
- o Providing those compensation elements that meet board of education and superintendent objectives
- o Making the final decision regarding superintendent compensation.

This brief executive summary presents the essential steps contained in Compensating the Superintendent which may be used to make the decision on superintendent compensation.

Step 1: Establishing a Salary Framework

The superintendent and school board should identify those positions to be used for comparative purposes. A checklist for comparing selected salary data, sources of data and a format for reviewing comparative salary data points along with examples are contained in the handbook.

Step 2: Comparing Communities

Once the superintendent's salary has been placed in a salary comparison chart along with comparative salary data points, specific community characteristics may be reviewed and rated with respect to comparable school districts. These characteristics include geographic location, nature of population, community expectation, community history, community governance and growth and retrenchment. Discussions of each characteristic and a process for making the comparison are included in the handbook.

Step 3: Determining Job Value

A further means of assessing the superintendent's salary in comparison with other comparative salary data points is based upon first, the assessment of variations in the job requirements of the superintendency itself, and second, an assessment of the comparability of the superintendency with selected community positions.

The relative value of a superintendency is determined by reviewing nine job requirements for the position: management, leadership, issue management, board relations, image/style, energy/stamina, intelligence/conceptual skill, interactive/interpersonal skills and employee relations/negotiations. The handbook describes these job requirements and provides a means for school boards to determine whether each of these requirements is called for to a moderate, considerable or exceptional degree in that community.

These same job requirements are discussed with respect to other community positions, including the hospital administrator, city or county administrator and bank president. A means of assessing the relative value of these positions with respect to the superintendency is also presented in the handbook.

Step 4: Evaluating the Superintendent

Additional data to be used in determining superintendent compensation are based on the school board's assessment of the performance of the incumbent superintendent. The handbook presents an objective-based evaluation process, describes each step in this process and outlines a means for translating the evaluation results into a numerical rating to assist in the compensation decision.

Step 5: Developing a Compensation Package

This step includes assessing the current compensation package, determining particular compensation elements that are of interest to school board and superintendent, identifying compensation alternatives and using this information in determining that group of compensation elements which may assist the school board in achieving its objectives and the objectives of the superintendent. The handbook presents compensation objectives both for school boards and superintendents, shows the relationship between compensation objectives and the elements of a compensation package and provides a framework for assessing the current compensation package.

Step 6: The Decision-Making Process

The board of education and the superintendent should establish a decision-making process for annually determining superintendent compensation. Ideally, this process should be determined at the time a superintendent is hired. Minimally, the decision should be made at the beginning of an annual cycle for compensation review. At the initiation of the annual cycle, the superintendent's objectives and related plans should be established and agreed upon by the school board. Throughout the year, periodic discussions should be held to track progress in the accomplishment of these objectives. As the annual cycle nears its end, the data collection and analysis activities described in the previous five steps should be accomplished. Finally, the board should use the data to arrive at its compensation decision. This process should include a review of:

- o The salary comparison chart indicating the superintendent's salary and comparative salary data points
- o The chart showing the comparative assessment of community characteristics
- o The assessments relating the position of superintendent to the need for particular requirements of the position in a community and to comparative community positions
- o The superintendent's evaluation rating chart.

Then the superintendent's salary, in the context of these various data, should be discussed along with compensation elements, their tradeoffs with salary level and a final determination of the superintendent's salary and compensation package.

The handbook describes the current way compensation decisions are made, the factors that influence decision making and the steps to be taken in carrying out this decision-making process.

Additionally, the handbook contains two appendixes: one describing current compensation; and the second, current fringe benefits and contract provisions.

Compensating the Superintendent and the approach to compensation decision making assumes that the process for determining superintendent compensation should be a rational one and should be based on pertinent factual data. The steps in carrying out the compensation decision-making process reinforce the basic premise that determining superintendent compensation is a mutual process and part of the contractual relationship between superintendent and school board. The decision should consider the objectives of each party in this relationship. Compensation is viewed as assisting the superintendent in achieving his objectives in return for his work in the accomplishment of school board objectives.

Establishing a Salary Framework

Making decisions on compensation for school superintendents calls for an understanding of current compensation practices and the variations within those practices. With that understanding, a superintendent and school board can develop a process for collecting and organizing the compensation data most significant for their school system. This chapter summarizes current compensation practices and establishes a data framework for compensation decision making.

CURRENT COMPENSATION PRACTICE

Chapter 1 begins with a summary of current information on superintendent salaries, other elements of compensation and contract provisions. Also included are key variations in compensation, data-gathering practices and data sources.

Superintendent Salary Data

National data are available that show current and historical information on superintendent contract salaries and how these data compare with the salaries of the assistant superintendent and the classroom teacher. In most cases the information is presented according to district size, per pupil expenditure and geographic region. Appendix A, "Current Compensation Analysis," provides an analysis of data which points out the following significant relationships:

- o The average superintendent's salary increases with school district size.
- o The annual rate of increase in the superintendent salary varies inversely with school district size.
- o The average superintendent salary increases with per pupil expenditure.
- o The average superintendent salary varies from region to region. The highest average salaries are found in the Mideastern States and Far West; the lowest, in the Southeastern and Plains States.
- o The average growth in the superintendent salary also varies by region.

- o The rate of increase in the average superintendent salary is not keeping pace with the average classroom teacher salary.

Comparative Data

Information is also available for comparing superintendent salaries with those of other administrators (see Appendix A). Analysis of superintendent salaries compared with the salaries of city or county administrators, bank presidents and hospital administrators indicates the following significant relationships.

- o The average salary for a mayor, city manager or county administrator increases with jurisdictional size.
- o The average salary for superintendents varies in a manner similar to that of city and county administrators, but superintendent salaries are slightly higher.
- o The average salary of a hospital administrator varies with hospital size (beds) and is generally in the same range as average superintendent salaries.
- o The average salary of a bank president varies with bank assets and generally has a wider range than superintendent salaries.
- o Hospital administrators and chief executive officers of larger banking institutions tend to be better compensated than school superintendents in large cities, but those of smaller institutions are paid less, on the average, than superintendents from smaller school districts.

Fringe Benefits and Contract Provisions

A wide range of fringe benefits and other contract provisions are part of most superintendent compensation agreements. Appendix B, "Fringe Benefits and Contract Provisions," summarizes major items found in contracts or otherwise provided for superintendents.

Customary benefits include retirement, transportation, insurance and health care, professional development and paid leave. Within each category, however, there are wide variations among districts. Some examples of those variations include the following:

- o State retirement plans are usually provided. Tax-sheltered annuity plans are provided less frequently.
- o Hospitalization, major medical and surgical costs are covered by almost all superintendent plans. Long-term disability insurance is provided less frequently.
- o Some districts supply automobiles for business and personal use. Others pay transportation expenses for school district business. Some make no provision for transportation costs.

Community Characteristics Affecting Compensation

Superintendents and school board members frequently cite several community

characteristics that determine differences in compensation from one community to another. The following six characteristics are particularly important.

Geographic location. The income level of an area, the standard of living of a community, the cost of housing and the proximity to a large metropolitan area all have significant impact on superintendent compensation. Although regional differences are a part of this variance, they by no means account for all important variations.

Nature of population. The composition of the population of the community has an important impact on superintendent compensation. The educational level, educational needs, number of retired or childless persons and minority population all contribute to these differences.

Community expectations. Communities place varying demands on their superintendents. A community with high expectations tends to compensate its superintendent more highly.

Community history. The community's past record in conducting its educational affairs also affects superintendent compensation. Where there were problems in the past, the need for strong leadership, the expectation for change and the risk of possible failure contribute to higher compensation for superintendents.

Community governance. The governing structure of the community affects compensation. A number of superintendents cite differences in the way the governing structure of the community affects educational affairs. Opinions expressed by superintendents include:

- o In some communities, coalitions of power groups compete for control. This situation tends to occur in urban areas, and compensation there is usually higher.
- o Highly suburban communities often regard the superintendent as a professional adviser who provides planning and management skills to the board of education. Compensation may be higher in these communities.
- o Some communities, characteristically in rural areas, have a homogeneous population. The community plays a less active role in important educational policy matters, leaving these decisions to the superintendent. Compensation tends to be lower in these communities.
- o In some communities, educational affairs are dominated by a relatively few, powerful people who set rather rigid restrictions on the superintendent's actions and make decisions outside the sphere of activity defined by these restrictions. Compensation tends to be lower in this type of community.

Growth or retrenchment. Communities with school systems that are rapidly growing or diminishing tend to pay superintendents more than those that are static in size.

Data Gathering Practices

Data gathered in the process of determining compensation for the superintendent should be complete. The process should be systematic and include gathering of comparable data from other school districts. The data-gathering approach and type of data gathered depend on the nature of the school district itself.

- o The larger cities are generally more comprehensive in their data-gathering effort. They focus on data from other large cities across the country, using the Council of the Great City Schools and their own contacts with comparable school systems. The salaries of the chief state school officer, state governor and other key officials are often included in this comparative data.
- o In general, city school systems compare themselves with other cities of comparable size. Larger cities tend to gather data nationwide, while smaller cities gather data from a more confined region. Data on surrounding suburbs and data on other key municipal officials are also important.
- o Some suburbs of larger cities concentrate on similar school systems in their region and other similar suburbs nationwide.
- o Most suburban school systems gather data on similar school systems in their region.
- o As a general rule, the most likely comparisons are regional, within categories of size. Larger and more sophisticated school systems compare themselves over a more extended region and gather more comprehensive data. Smaller and less sophisticated school systems make comparisons with neighboring school districts of similar size and composition.

Some examples illustrate these practices.

- o In a wealthy Chicago suburb, the business manager calls other comparable Chicago suburbs that are known to pay among the best of salaries in the area.
- o In a St. Louis, Missouri, suburb, the school board looks at the upper quartile of superintendent salaries in St. Louis County.
- o A city in Mississippi compares itself with key cities of similar size in Arkansas and Tennessee.
- o In Indiana, six large cities of comparable size compare salaries. Smaller communities make comparisons in the closer geographic area.

Data Sources

There are five primary sources of information regarding superintendents' compensation. First, Educational Research Service, Inc. (ERS) annually produces national, regional and specific school system data and also conducts special studies of certain states. The resulting reports are perhaps the most widely available. ERS is an independent, nonprofit corporation that serves the research and information needs of the nation's school systems. The effort is sponsored by six professional education associations including AASA. On an annual basis, ERS produces a national survey of salaries and wages in public schools, and every few years, produces a survey of fringe benefits for school superintendents. Further information can be obtained from Educational Research Service Inc., 1800 N. Kent Street, Arlington, Virginia 22209, (703)-243-2100.

Second, a primary source of information for many school districts is state survey data. Many states survey their school districts and publish data describing superintendent salaries and, in some cases, fringe benefits. For example,

this approach is used in Georgia, Indiana, North Carolina, Wyoming, Utah and Kentucky.

Third, in some metropolitan areas, school systems have organized into regional councils that survey and produce compensation data.

Fourth, a few surveys are conducted by groups of superintendents representing a particular type of school district.

Fifth, in some cases, state administrator and teacher associations conduct surveys.

Despite these surveys, it is most common for individual school districts to conduct their own independent surveys by calling neighboring school systems and obtaining specific information directly.

DATA APPROACH

This section presents the approach to collecting and organizing data that is recommended as part of the decision-making process in establishing superintendent compensation. This approach calls for the superintendent and school board first to develop a salary framework for use in decision making. This framework should be developed in four steps: (1) identifying the specific data elements most appropriate for comparative purposes; (2) collecting the necessary data; (3) developing salary comparison charts in a format useful for comparative purposes; and (4) reviewing the community characteristics that may further qualify the data by using descriptive indicators. These steps are discussed in the following sections of this publication.

Identifying Data

The superintendent and school board should list the types of particularly appropriate data for comparative purposes. Exhibit 1, "Checklist for Comparing Selected Salary Data," can be used for this process. The data may be organized into the following categories.

- o National Data obtained from the Educational Research Service, Inc. (ERS) survey, which distinguishes superintendent salary by region, per pupil expenditure and school system size
- o State data obtained from ERS special studies or from state studies
- o Comparisons with the assistant superintendent or high school principal and the classroom teacher. Not all items on the checklist should be used. Only those most meaningful for the particular school district should be selected.

At this time, it is also appropriate to review non-salary compensation, presently including fringe benefits and contract provisions. Items provided should be listed and compared with the overall listing of fringe benefits in current use described in Appendix B. Items should be selected for comparative purposes based on the interest and concerns of the superintendent and school board.

Collecting Data

Once the necessary data elements are identified and mutually agreed upon, the data collection process is simple and straightforward. A staff member should be

EXHIBIT 1
Checklist for Comparing Selected Salary Data

National Data

- Mean superintendent salary
- Mean superintendent salary for designated region
- Mean superintendent salary for designated per pupil expenditure range
- Mean superintendent salary for designated school system size
- Mean assistant superintendent salary (by these categories)
- Maximum classroom teacher salary (by these categories)

State Data

- Mean superintendent salary
- High superintendent salary
- Low superintendent salary

Data On Other Positions

- City manager, mayor, or county executive salary
- Bank president salary
- Hospital administrator salary

Selected Communities

- Superintendent salary
- Assistant superintendent salary
- Maximum classroom teacher salary

Other Data

- Average professional salary
- Consumer price index

delegated the task of obtaining needed information from national, state and other sources or through an informal survey of selected school districts.

Developing Salary Comparison Charts

Critical steps in establishing a salary framework for compensation decision making involve simplifying information and displaying it in a form that lends itself to comparative analysis. A chart format is recommended for this purpose (Exhibit 2, "Superintendent Salary Comparison"). Completing this chart includes the following significant analytical steps.

- o A limited number of comparative salary data points should be selected for comparison. This information might include national mean salary figures, several state salary figures which establish the range in superintendent salaries within the state, data from comparable districts and salary data for other selected positions. No more than ten salary figures should be selected as data points.
- o Salary figures should be placed from left to right in ascending order of current salary. The school district making the comparison should select comparative salaries so that its superintendent salary is about in the middle of comparative salary data points. Wherever possible, historical salary data should be displayed. And, for each school system, the salary of the assistant superintendent or high school principal and the maximum teacher salary should also be included.
- o Historical percentage comparisons should be calculated and displayed for the assistant superintendent or high school principal salary and the maximum classroom teacher salary.

Two examples illustrate the selection and charting of these data.

Example A. As shown in Exhibit 3, "Superintendent Salary Comparison Chart," Example A represents a school system with an enrollment of 16,912 and a per pupil expenditure of \$1,866. The superintendent's salary for this district is \$36,000. Using the "Checklist for Comparing Salary Data" (Exhibit 1), the following data were selected.

- o Mean superintendent salary nationally, for the enrollment category - \$38,227.
- o Superintendents' mean salary nationally, for per pupil expenditure category - \$36,569.
- o Mean superintendent's salary, for the region - \$34,308.
- o The superintendent's salary for in-state community # 2 of similar size - \$40,800.
- o The superintendent's salary for in-state community # 3 of similar size - \$43,500.
- o The superintendent's salary for in-state community # 1 - \$39,000.
- o The lowest state salary reported - \$20,650.
- o The highest state salary reported - \$56,000.
- o The national mean salary - \$34,875.

EXHIBIT 2
Superintendent Salary Comparison Chart

COMPARATIVE SALARY DATA POINTS

Position										
SUPERINTENDENT OR COMPARABLE POSITION Salary (current year) Salary (previous year) Change (percent)										
ASSISTANT SUPERINTENDENT/ HIGH SCHOOL PRINCIPAL Salary (current year) Comparison with superintendent (percent difference)										
CLASSROOM TEACHER Maximum salary (current year) Comparison with superintendent (percent difference)										

EXHIBIT 3
Superintendent Salary Comparison Chart

COMPARATIVE SALARY DATA POINTS (\$000)										
Position	State Low Salary (1)	Regional Mean Salary (2)	National Mean Salary (2)	Example A School District	*Mean Salary (\$/Pupil) (2)	* *Mean Salary (Enrollment) (2)	Comparison School District #1(2)	Comparison School District #2(2)	Comparison School District #3(3)	State High Salary (1)
SUPERINTENDENT OR COMPARABLE POSITION										
Salary (current year)	20.7	34.3	34.9	36.0	36.6	38.2	39.0	40.8	43.6	56.0
Salary (previous year)	20.0	32.7	33.2	35.7		36.3	n.a.***	34.3	40.0	56.0
Change (percent)	3.3	5.1	4.9	0.8	n.a.***	5.4		16.0		0
ASSISTANT SUPERINTENDENT/ HIGH SCHOOL PRINCIPAL										
Salary (current year)	No Assistant Superintendent	30.4	30.3	32.8	32.0	30.6	30.2	34.1	37.6	46.0
Comparison with superintendent (percent difference)		88.6	86.8	91.10	87.4	80.1	77.4	83.5	86.2	82.0
CLASSROOM TEACHER										
Maximum salary (current year)	13.1	19.0	18.4	16.0	19.7	19.4	22.0	20.7	20.2	25.8
Comparison with superintendent (percent difference)	63.3	55.4	52.7	44.4	53.8	50.8	56.4	50.7	46.3	46.0

Notes: * For those districts in the same per pupil expenditure category as Example A.
 ** For those districts in the same enrollment category as Exhibit A.
 *** N.A. (Data not available).

Source:

- (1) State sources
- (2) Educational Research Service, Inc. data
- (3) Direct contact

These data include appropriate national and state figures and data on three communities similar to Example A.

Example B. Example B represents a rural county with a student enrollment of 4,000 and a per pupil expenditure of \$1,008. The superintendent's salary is \$25,490. As shown in Exhibit 4, "Superintendent Salary Comparison Chart," Example B, the items selected from the "Checklist for Comparing Salary Data" include the following.

- o County official's mean salary for counties the size of Example B - \$18,310
- o The low salary for school districts in the state with more than 2,500 students - \$23,118
- o Three school systems selected as comparable
- o The national mean for school systems with less than \$1,100 per pupil expenditure - \$29,946
- o Superintendent's mean salary for school systems within the state with greater than 2,500 students - \$31,839
- o The national mean salary for the geographic region - \$32,251
- o The national mean for school systems with 2,500 to 10,000 students - \$34,195.

The comparable salary figures for the previous year, assistant superintendent salary and maximum classroom teacher salary were included along with percentages.

Once the salary comparison chart has been completed, it is possible to determine how salary levels compare with national and state norms, similar communities, other community positions and other school system positions.

If the placement is not as expected, one course of action would be to review whether appropriate comparative salary data points were selected. Perhaps other national and state norms or other comparable communities would be more appropriate.

There are other factors, however, that may contribute to the placement of the specific community's superintendent salary within the comparative salary data points chosen. The community characteristics described at the beginning of Chapter I can be used as descriptive indicators to further refine the superintendent salary placement in the salary comparison chart.

Reviewing Community Characteristics

As shown in Exhibit 5, "Descriptive Indicator Rating Chart," six community characteristics have been chosen as most significant in distinguishing among communities. For each characteristic, the school board and superintendent can look at those school districts considered comparable and determine where their school district falls with respect to that characteristic. The one through five rating scale presents information in quantities (each representing 20 percent) for the total grouping of comparable school districts. Evaluation questions should be asked as follows:

Geographic location. In which quartile does the community stand with respect to standard of living and cost of housing?

EXHIBIT 4
Superintendent Salary Comparison Chart

COMPARATIVE SALARY DATA POINTS (\$000)										
Position	*Mean County Official Salary (1)	**Low State Salary (Enrollment) (2)	Comparison School System #1 (3)	Example B School System	Comparison School System #2 (3)	***National Mean Salary (\$/Pupil)(4)	Comparison School System #3(4)	**State Mean Salary (Enrollment) (4)	Regional Mean Salary (4)	**National Mean Salary (Enrollment) (4)
SUPERINTENDENT OR COMPARABLE POSITION										
Salary (current year)	18.3	23.1	24.0	25.5	28.7	29.9	30.3	31.8	32.3	34.2
Salary (previous year)	17.5	22.4	21.5	23.5	26.0	29.5	28.6	30.8	30.9	32.6
Change (percent)	4.6	3.2	11.6	8.4	10.6	1.4	6.0	3.2	4.5	4.9
ASSISTANT SUPERINTENDENT/ HIGH SCHOOL PRINCIPAL										
Salary (current year)		19.3	No Assistant Superintendent	21.2	20.9	24.3	25.2	25.5	25.4	28.5
Comparison with superintendent (percent difference)		83.5		83.1	72.8	81.3	83.2	80.2	78.6	83.3
CLASSROOM TEACHER										
Maximum salary (current year)		12.0	12.5	16.2	13.0	15.0	17.3	15.8	15.5	18.7
Comparison with superintendent (percent difference)		51.9	52.0	63.5	45.3	50.2	57.1	49.7	48.0	54.7

Notes: * For those counties in the same region and population category as Example B.
 ** For those districts in the same enrollment category as Example B.
 *** For those districts in the same per pupil expenditure category as Example B.

Sources:

- (1) "The County Yearbook," International City Management Association, Washington, D.C.
- (2) State sources
- (3) Direct contact
- (4) Educational Research Service, Inc. data

EXHIBIT 5
Descriptive Indicator Rating Chart

Descriptive Indicators	Rating (Number Of Quartile)				
	1 (low)	2	3	4	5 (high)
Geographic location					
Nature of population					
Community expectation					
Community history					
Community governance					
Growth and retirement					

Total rating:

Total Rating Key		
Low	Average	High
6	← 18 →	30

Nature of population. How does the population served by the community compare in the intensity and complexity of its impact on the school district?

Community expectation. How does the community's expectation of its school system differ from expectations of other similar communities?

Community history. How does the community's history of school affairs differ from other similar communities?

Community governance. What impact does the way in which the community is governed have on the superintendent's job requirements in comparison with other similar communities?

Growth and retrenchment. To what degree does the growth or retrenchment of this community place requirements on the superintendency that are greater than those in other similar communities?

When the community has been rated on each of the above indicators, the total rating score can be tabulated. Scores above 18 (average) indicate the possible expectation of a salary level that might be higher than otherwise expected, and scores lower than 18 indicate a salary level lower than might otherwise be expected.

SUMMARY

This section of our report has presented an approach to selecting and organizing superintendent salary data for comparison. The "Superintendent Salary Comparison Chart" and the "Descriptive Indicator Rating Chart" provide a baseline for additional analytical steps in the chapters which follow.

Determining Job Value

Chapter I described guidelines for establishing a salary framework for compensation decision making and for assessing the factors that distinguish superintendent compensation in one community from compensation in other communities.

This chapter presents two additional means for assessing the relative value of the superintendency for a community. First, variations in job requirements of the superintendency itself provide an approach for assessing the relative requirements of a particular superintendency. Second, selected comparative positions found in most communities provide a means for assessing the comparability of the superintendency with each of these other positions.

JOB REQUIREMENTS OF THE SUPERINTENDENCY

Overview

Although the activities, skills and requirements of the superintendency have been described extensively, there are basically nine job requirements for the position, including:

- o Management
- o Leadership
- o Issue management
- o Board relations
- o Image/style
- o Energy/stamina
- o Intelligence/conceptual skill
- o Interactive/interpersonal skill
- o Employee relations/negotiations.

Every school superintendency includes each of these requirements to some degree, but the relative need for these job requirements varies among superintendencies. This variation depends particularly on the size and the nature of the school district; that is, whether it represents a larger or a smaller urban area, a suburb, a small town or a rural area.

Job Requirements

The following sections describe each job requirement and its variation.

Management. The management requirements of the superintendency include planning the goals, policies and activities of the school system; controlling its direction and the activities of the employees; coordinating functions; and evaluating individual and group employee performance, program results and financial and business procedures. The requirements include the personnel functions of recruiting, hiring and placing employees, supervising their work, supplying resources for work accomplishment and obtaining financial resources.

Management requirements for all superintendencies are high. However, management requirements do vary with the size of the school system. As staff size and differentiation of tasks increase, management tasks become more complex, and management skills become more important. Differences in the need for management skills also relate to the type of community served. For example, in large urban areas the diversity of population and programs imposes significant managerial requirements. Furthermore, some suburban communities have particularly high expectations for effective management.

Leadership. Leadership includes the ability:

- o to coordinate, that is, to understand the dynamics, motivations and values of groups within a school system or served by the system and to be able to work with those groups
- o to cope with change in the schools brought about by changes in society and to bring direction to uncertain work situations in which clear-cut solutions are difficult to define
- o to generate confidence among those in the school system and community and to stimulate those people to follow the direction established
- o to contribute fresh, original solutions to problems and to understand both relevant technology and human and organizational requirements to bring about realistic, positive proposals for action.

Leadership is required in every superintendency, but the type of leadership requirement varies. In smaller communities, leadership is exercised in a highly interpersonal and interactive way. In larger communities and in sophisticated suburban areas, there is a need for public relations oriented leadership as well.

Issue Management. Issue management includes the ability to understand the process by which groups and individuals both inside and outside the school system are brought to effective action. The process involves decision making and involvement that lead to consensus or to other resolution of differences.

The history of the community and the manner in which conflicts have previously been resolved influence the need for issue management skills by the superintendent. Urban areas, particularly large cities, have a critical need for issue management. In smaller communities, if teacher organizations are strong or if the community faces curtailment of resources because of decreasing population and concern about efficiency, issue management may be very important.

Board relations. Maintaining proper board relations involves the ability to organize and pose significant issues for board of education attention. It also involves the coordination of staff work for appropriate data and rationale. Superintendent-board relations call for ability to understand and coordinate the dynamics, motivation and values of board members and a sensitivity to community requirements and concerns.

The nature and extent of requirements with respect to superintendent-board relations vary widely. In some communities, particularly large urban communities and certain suburban areas, boards meet frequently, often several times a week, and require preparation of extensive and detailed information regarding school system issues. In other communities, most often those that are smaller and more rural, the board of education may meet less frequently, perhaps once or twice each month, and formal business is less extensive. In this type of community, there may be less formal contact on a day-to-day basis and, therefore, fewer requirements for formal preparation and presentation.

Image/style. Establishing an effective image or style requires compatability between the approach used by the superintendent in his administration of the school system and the expectations of the community. It includes the ability to present programs, policies and procedures of the school system and to represent the general interest of the school system through speeches, consultation and contacts with individuals, groups or constituencies outside the school system.

In every community, the image and style of the superintendent should be compatible with the community's expectation. However, the nature of this expectation varies. In larger, more urban communities, the image of a high-powered, tough-minded manager, skilled in public relations, is necessary. In other communities, particularly certain suburban school systems, a highly academic, intellectual person is preferred. In still other communities, identification with the local community and its needs and the image of strong interpersonal skills are most significant.

Energy/stamina. All superintendents must possess the ability to work long hours and at a fast pace under pressure from groups inside and outside the school system; but there are important variations among school systems. The complexity and heterogeneity of large urban areas, for example, and the nature of the problems involved require prolonged work under intense pressures and continued crises. This may also be true of smaller communities, but the degree of energy/stamina required varies.

Intelligence/conceptual skill. General requirements include the ability to grasp educational and management issues, develop solutions to problems facing the school system and place the analysis of problems and proposals for solutions within a conceptual framework. That framework provides the historical and national perspective for enlightened decision making. Intellectual conceptual skill is required in all school systems but some systems place added emphasis on this type of approach.

Interactive/interpersonal skill. These skills involve the ability to communicate ideas and feelings to individuals and groups and to extract from a flow of words what is meant

as well as what is said. Also included is a recognition and understanding of the feelings, demands, frustrations and hopes of those inside and outside the school system with whom the system must interact.

In smaller communities, particularly those in rural settings, the direct accessibility of the superintendent makes this skill essential. In larger communities, these skills are emphasized less because of the visibility of other requirements.

Employee relations/negotiations. This requirement includes the ability to bargain or negotiate effectively with school system employees.

Although this requirement is a specific one, employee relations/negotiations has become important in every community. Here, too, the variation among communities is great. Some communities are highly unionized, with formal relationships between the school system and a number of bargaining units. In other communities, no formal collective bargaining agreements exist.

ASSESSING PARTICULAR COMMUNITY NEEDS

Using job requirement and salary framework concepts established in this handbook, the superintendent and board may wish to assess the superintendency requirements for their community. Exhibit 6, "Community Requirements for Superintendency," lists the nine job requirements and briefly describes criteria that can be used to determine if the community's need for each requirement is moderate, considerable or exceptional. Associated with each rating is a numerical weighting, and the aggregate of ratings on the nine job requirements will result in a weighted requirements score that ranges between 9 and 27 with a mean score of 18. Thus, a score in the range of 9 to 18 for a particular community may indicate that its requirements for the superintendency are less stringent than may be considered average for the communities that are used as the basis of the assessment. On the other hand, if a community scores between 18 and 27, perhaps its superintendency requirements should be considered greater than average.

This rating is an additional basis for judging whether the superintendent's compensation should be adjusted and in which direction.

REQUISITES FOR SELECTED COMPARATIVE POSITIONS

An additional way to judge the value of the superintendency in a particular community is to look at comparable positions, judge the relative requirements of these positions and relate this information to differences in compensation.

Three positions have been selected as appropriate for comparative purposes: hospital administrator, bank president and city or county administrator. These positions were selected because they met the following five basic criteria.

- o The nature of the position varied with the size and nature of the community.
- o Each related directly to a board of control.
- o Each position was present in most communities.
- o The position was often a highly visible one in the community.

EXHIBIT 6
Community Requirements for Superintendency

Job Requirement	Description Of Superintendency Requirements		
	Moderate (1)	Considerable (2)	Exceptional (3)
Management	Management is routine and well defined. Numbers of people, types of issues, and scope of programs are moderately challenging.	Management is somewhat complex. Numbers of people and types of issues, and complex program require considerable management skill.	Management is complex and multifaceted. Large numbers of people, variety, intensity of issues, and scope of programs.
Leadership	People function effectively. School system direction is clear. People work cooperatively and morale is high. Appropriate change is taking place.	Effectiveness and direction of efforts require encouragement and focus. Change occurs with strong effort.	Confusion, fragmented effort and unfocused direction require strong, focused effort toward coordination and change.
Issue management	Community is relatively homogeneous. Little fundamental conflict among public groups.	Community has some conflict relating to specific issues.	Community is fragmented. Specific issues and general response indicate wide disparity in value and strong feelings regarding educational issues.
Board relations	Moderately demanding. Meets several times each month. Fair consensus on issues.	Meets more often than twice each month. Board disagreement on important issues.	Meets several times each week. Follows closely all major school issues. It holds hearings. Members are divided on many issues.
Image/style	Board wants a low-profile superintendent, who understands the community and is friendly and accessible.	Board wants a superintendent who is articulate and represents the school district well in public.	Board wants a superintendent who will be viewed by the community as a highly articulate, knowledgeable educator and an educational leader in the community.
Energy/stamina	Demands are moderate. A fully productive workweek seldom extends to weekends.	Demands are considerable. Some evening and weekend work is performed. Pace of activity is fairly rapid.	Hectic pace. Work extended throughout most days, including weekends. Energy needed for most activities is high.
Intelligence/conceptual skill	Reasonable intelligence and grasp of educational and community issues are needed.	Conceptual skill and program and policy leadership are important.	Community looks to superintendent for intellectual and conceptual leadership in school affairs.
Interactive/interpersonal skill	Superintendent should be able to relate to different people and communicate clearly.	Ability to relate to people regardless of background and to communicate forcefully and concisely.	Superintendent should have charismatic ability to relate to others. He must possess superb communication skills.
Employee relations/negotiations	Negotiations are on a meet and confer basis, informal, and without a great amount of time expended.	Negotiations are formal but limited in extensiveness and number of groups.	Prolonged, extensive negotiations occurs with a number of groups and with consistent difficulty in achieving resolution.

- o The jobs have similar requirements.

The following sections of this report describe each of the nine job requirements as they relate to positions comparable to that of the superintendent. The examples shown are not necessarily inclusive. The most appropriate positions for comparison might be chief executive officer positions in public/private agencies that are similar in scope of activity and having similar numbers and types of employees.

Management. The same requirements exist as for the superintendent. The hospital administrator's management requirements vary depending on the number of beds in the hospital and the nature of services provided. A city or county administrator's requirements will vary according to the size and complexity of the community served. For the bank president, management depends upon the assets of the bank, the kinds of services offered, the number of branches and the number of depositors.

Leadership. Leadership skills for each position are similar to those required by the superintendent. For the hospital administrator, control is difficult with a highly professional staff of medical personnel and leadership is exerted by balancing the interests of staff and community. Public relations oriented leadership is important for the city or county administrator and control is provided primarily through the budget process and interpersonal contact. For the bank president, leadership is exerted through interpersonal interaction and management plans. The profit and loss orientation, however, provides greater opportunity for operating control and accountability.

Issue management. Hospital administrators face increasingly differing points of view between the medical community and consumers; the board of control, particularly in more urban areas, has become sensitive to direct public influence. Thus, issue management is a strong requirement for the hospital administrator position. The city or county administrator position varies, as does the superintendency, in the need for resolution of staff and citizen demands. Issue management for the bank president takes place in a less public manner with greater distance from direct public opinion.

Board relations. Each position has a direct and important relationship with its board of control. The nature of this relationship and the requirement for formal preparation vary.

Image/style. In each case, the image and style of the administrator are important, but the requirement varies depending upon the community. The hospital administrator must relate to his lay community and to the medical community that he coordinates. City or county administrators are directly comparable to the superintendent regarding the types of public with whom they must relate. The bank president must command a suitable image and style to transact business affairs effectively.

Energy/stamina. The hospital administrator, city or county administrator and bank president are positions that demand a high level of energy output. In each position category there is wide variation depending on the particular size and setting of the institution or community.

Intelligence/conceptual skill. Each position category requires a high level of intelligence and conceptual skill, and there is some variation of emphasis, depending upon the particular institutional setting.

Interactive/interpersonal skill. Hospital administrators must balance the demands and interests of different groups, many of whom are medical professionals, capable of

presenting their own strong interests. The city or county administrator has the same job requirement and often deals with disparate groups of employees and the public. The bank president, although not relating as directly to such disparate groups, must establish client relationships of high quality to ensure the bank's successful performance.

Employee relations/negotiations. Each position must relate directly to employee groups. In particular, the hospital administrator and city or county administrator face a strongly unionized work force in an increasing number of situations.

ASSESSING JOB COMPARABILITY IN A COMMUNITY

The first step in assessing job comparability in a community is to look at the hospital administrator, city or county administrator or bank president for that community with respect to the nine job requirements just described. Each of these jobs should then be compared with the superintendency position through use of selected job factors presented below.

Job Factors

Four job factors are used to establish the relative value of the positions: scope and magnitude of the position, the level of impact, the relationships and representation requirements and the job conditions. Each of these factors is described in the paragraphs below.

Scope and magnitude. This factor measures the extensiveness of the duties of the position and the complexity and frequency of the problems that may be encountered. Consideration is given to the following:

- o The scope and variety of activities performed
- o The extent of supervisory responsibilities in terms of number, variety and level of employees
- o The types of problems encountered and the types of decisions necessary to resolve them
- o The intensity of the demands on the position and the intensity of effort required to achieve objectives
- o The character and extent of guidance in the form of formal policies, practices, and procedures that govern the performance of work
- o The level of creative ability required
- o The level of analytical ability required.

Level of impact. This factor evaluates the impact that a position can have on policy and operations. Consideration is given to the following:

- o The extent of the position's decision-making latitude or authority to act independently, within the limitations of supervision and policy, and the consequences of possible errors in judgment

- o The extent to which decisions or actions of the position can affect or influence results in such matters as controlling and reducing costs; protecting, conserving, and increasing physical assets and financial resources; and developing and implementing programs, policies, and plans necessary to conduct organizational affairs and achieve institutional objectives
- o The direct or indirect impact of the position on results and influence over long-term results are rated as more significant than influence over short-term results.

Relationships and representation. The relationship and representation factor measures the ability to meet and deal with others effectively and represent to various groups the goals, programs and accomplishments of the organization. Consideration is given to the following:

- o The character, scope and importance of the relationships that are necessary for satisfactory performance of the duties of the position
- o The character, scope and importance of the activities that are required in representing the organization to the public
- o The type and frequency of required relationships and representation, including whether the matters involved are complex or controversial and whether considerable tact, diplomacy or persuasiveness is necessary
- o The scope of the relationships—whether they are confined within the organization or extend to the larger local or national community
- o The importance to the organization of establishing the relationships and maintaining them effectively.

Job conditions. The job conditions factor measures the position's impact on the individual. Consideration is given to the following.

- o The time and energy demanded
- o The pleasantness of the internal work environment, including the opportunity for satisfying work relationships with employees
- o Satisfying external environment, including the opportunities for rewarding relationships with people outside the institution and the likely degree of harassment or disagreeable contacts
- o Future job risks, including the likelihood of position longevity and the opportunities for advancement
- o Challenge, including the opportunity to use one's own abilities and stretch one's capability to perform.

Using the Job Factors for Comparison

Exhibit 7, "Job Factor Comparison Chart," may be used as the basis for comparing the job factors of the various positions. The superintendency should be compared with

EXHIBIT 7
Job Factor Comparison Chart

Comparative Positions	Job Factor			
	Scope And Magnitude	Level Of Impact	Relationship And Representation	Job Conditions
Hospital administrator				
City or county administrator				
Bank president				

Key: (+) Superintendent position has higher requirements than the comparative position with respect to this factor.
 (0) Superintendent position has similar requirements to the comparative position with respect to this factor.
 (-) Superintendent position has lower requirements than the comparative position with respect to this factor.

each position to determine whether it has higher, similar or lower requirements for each factor.

For each of these comparisons, the result should be translated into a "plus" for higher superintendent requirements, a "zero" for similar requirements and a "minus" for lower requirements and placed in the job factor comparison chart. If the pluses outweigh the minuses, the superintendency has higher requirements and the compensation level should reflect this difference.

SUMMARY

This chapter has presented two additional means for assessing the relative value of the superintendency for a community. The first looks at the job requirements of the superintendency in one community as compared to other similar communities. The second provides a method of comparing the superintendency with other community leadership positions. The objective, in each case, is to further determine factors that influence the relative placement of the superintendent salary in a given community with respect to other comparative salary data points.

Evaluating the Superintendent

Thus far, guidelines have been described for establishing a salary framework for compensation decision making. Three methods for assessment have been presented to assist in determining the relative value of the superintendency in a particular community. Included are the descriptive community factors, the job requirements of the superintendency itself and the superintendency as compared with other selected community positions. A further criterion for determining superintendent compensation should be assessment of performance in a given community. This chapter will focus on the importance of evaluating the superintendent. Current evaluation practices will be described. Then, a proposed performance appraisal approach is suggested. Finally, a means of translating evaluation results into the compensation framework is presented.

CURRENT EVALUATION PRACTICES

There is wide variation in the nature of superintendent evaluation practices from school district to school district. Most school boards use an informal approach. In many cases, occasional meetings are held in executive session for the board to discuss the work of the superintendent. Often, there is an annual executive session associated with the decision on superintendent compensation. At that time there is informal discussion concerning the performance of the superintendent. In some cases, the superintendent is present in executive sessions; in other instances, he is not. As a general rule, little information is shared with the superintendent, and there is reluctance to critique performance in any detail unless there are serious problems. In some communities, however, the board president provides feedback to the superintendent and meets informally with him or her sometimes as often as once a week.

In a minority of school districts (but a large and increasing number), the evaluation of the superintendent is conducted on a more formal basis. In these school districts, the boards use either a checklist of characteristics or an objective-setting process and more comprehensive feedback is given the superintendent.

PROPOSED PERFORMANCE APPRAISAL SYSTEMS

In providing a thorough and rational basis for superintendent compensation, it is recommended that a more formal approach be used in evaluating superintendent performance. There are a number of reasons for this approach. First, a formal approach ensures that superintendent and school board members have a sound mutual

understanding of the basis on which the evaluation will take place. This promotes a positive constructive relationship and diminishes the possibility of misunderstanding. Second, formal evaluation ensures a coordinated approach to evaluation, with time established for this purpose, and an understanding between board members and the superintendent of the purpose of the evaluation. Third, a more formal evaluation gives an appropriate level of detail as a basis for improving performance. Finally, it establishes a written record which, coupled with the detail, provides a basis for self-improvement by the superintendent. For the school board, it provides continued tracking of performance and improvement.

Although there are many variations in superintendent evaluation plans, an objective-based evaluation is recommended as a preferred appraisal plan. Exhibit 8, "Flow Chart of Superintendent Evaluation Process," illustrates this evaluation procedure. The important steps in this process are:

- o The board of education in consultation with the superintendent establishes this evaluation plan and provides a timetable for the annual evaluation cycle.
- o The superintendent of schools develops a procedure for obtaining information from the staff and community regarding superintendent performance, the performance of the school system and the perceived needs for improvement.
- o Based on information received from this needs assessment, the superintendent prepares a tentative set of objectives for the next school year. Included in these objectives will be the programs and activities to be used to achieve these objectives and evidence of year-end accomplishments.
- o These objectives are reviewed by the board of education. The board then has an opportunity to ensure that the objectives selected by the superintendent are, in fact, the most significant for the next school year from the board's point of view. To the extent that the preliminary objectives are inappropriate, the superintendent revises the objectives statement and resubmits it to the board. This process continues until there is a mutually satisfactory set of objectives and associated information.
- o The superintendent then develops a plan of action for the following school year which includes the programs and activities to carry out the objectives agreed upon.
- o This plan of action is then reviewed by the board of education and becomes the focus for the year's activities.
- o During the school year, interim progress review sessions with the board and superintendent may be held as needed.
- o At the end of the year, the superintendent prepares a self-evaluation report, summarizing the progress made toward the accomplishment of the objectives.
- o This self-evaluation report then is reviewed with the board of education and becomes the basis for the board's evaluation of the superintendent.

Important features of this evaluation process are: the mutual design and assessment of progress; the focus on the important objectives for the school year; and the development of a plan of action to be used in carrying out and evaluating progress.

RELATING PERFORMANCE EVALUATION TO COMPENSATION

To use the results of the superintendent's evaluation in determining compensation level, it is necessary to translate the evaluation results into a rating chart. Exhibit 9, "Superintendent's Evaluation Rating Chart," illustrates the type of chart that may be used. For the objectives evaluation process, each objective should be numbered and placed on the chart. When the self-evaluation is reviewed and the board completes its evaluation of progress, each board member should individually indicate a rating for each objective. The overall ratings should then be compiled and reviewed by the board and superintendent. If six or seven is a mean, or average rating, and if the superintendent's work is in the seven to nine range, compensation above that prescribed by other consideration may be in order. On the other hand, if the rating is from four to six, compensation may be appropriately lower than would otherwise be indicated; and a rating below four would indicate the need to terminate the superintendent's services.

For further information, refer to the AASA publication Evaluating the Superintendent.

EXHIBIT 8
Flow Chart of Superintendent Evaluation Process

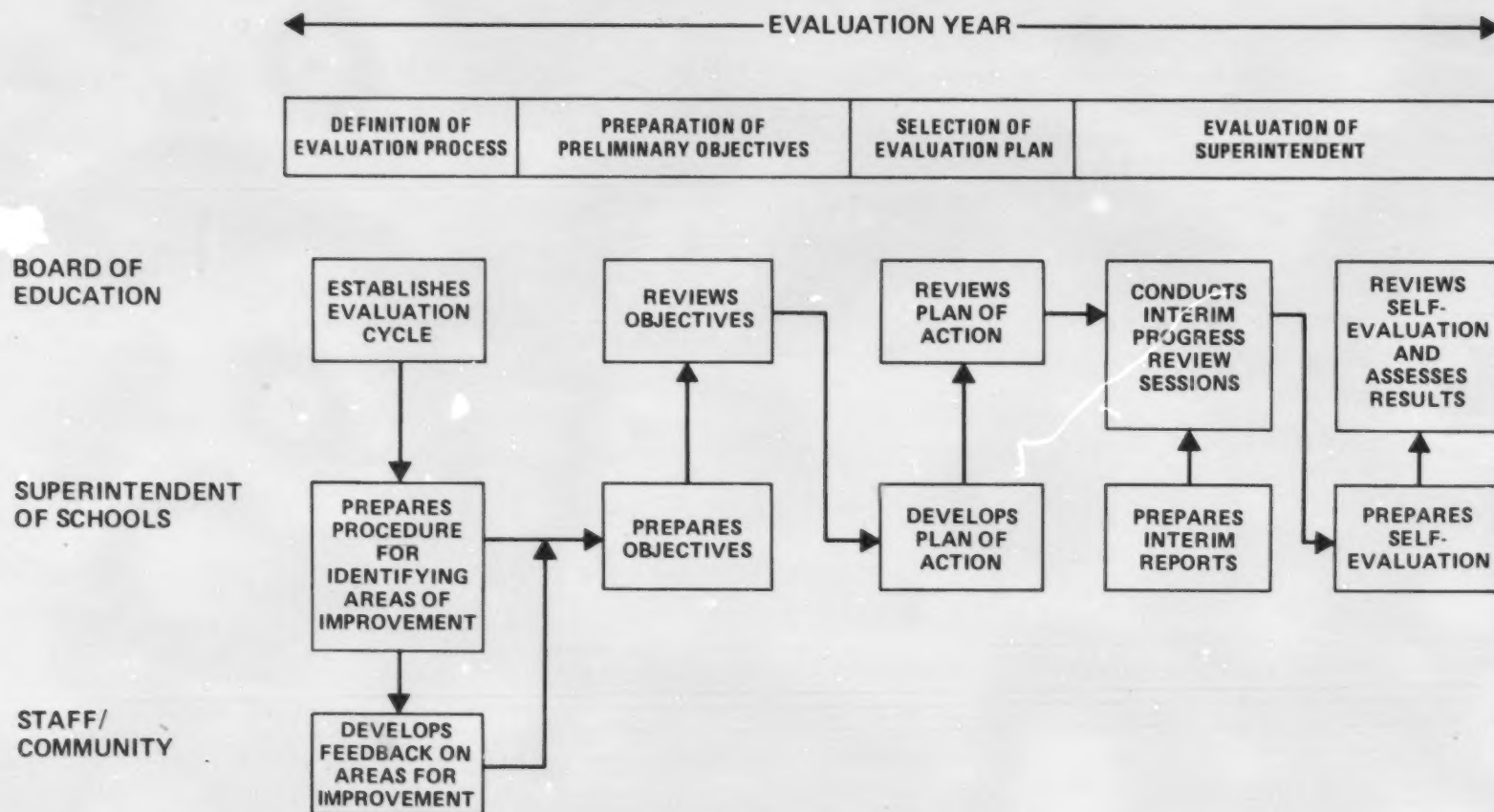


EXHIBIT 9

[illegible]

Developing a Compensation Package

Chapters I, II and III emphasize the various factors that determine the relative salary of the superintendent for a particular community. However, the superintendent's overall compensation package includes other elements, such as fringe benefits and contract provisions. Appendix B, "Fringe Benefits and Contract Provisions," contains a list of the most commonly used elements.

Chapter IV will present school board objectives and superintendent objectives to be met by the total compensation package and discuss the compensation elements and their contribution to the particular objectives. This chapter suggests a procedure for assessing the compensation package in a particular community.

COMPENSATION OBJECTIVES

Boards of education and superintendents each have a set of objectives to be met in a comprehensive compensation plan for the superintendent. It is important that each set of objectives be considered in developing and deciding on a compensation package.

School Board Objectives

There are 10 objectives school boards are likely to have in determining an acceptable compensation package for the superintendent. The following questions will assist the board in deciding whether the compensation package meets its objectives:

Equitability. To what degree is the compensation of the superintendent equitable with respect to other positions in the school system, other superintendents with whom the compensation will be compared and other positions in the community?

Acceptability. To what extent is the compensation of the superintendent understandable and acceptable to the community served by the school system and to the community of employees who are a part of the school system?

Legality. Does the compensation package meet legal requirements?

Drawing power. To what extent is the compensation package attractive to the type of superintendent who will meet the job requirements particular to the community?

Motivating power. To what extent does the compensation package provide motivation for outstanding performance.

Retention power. To what extent does the compensation package attract and keep a good superintendent?

Link with performance. To what extent does the compensation package emphasize performance and productivity as the basis for increased compensation?

Competitiveness. Is the compensation package comparable and competitive with packages in surrounding communities and other jurisdictions with which the community is competing?

Fiscal judgment. Does the compensation package meet the obligations of school board for exercising fiscal responsibility?

Responsiveness. To what degree does the compensation package meet the personal needs of the superintendent?

Superintendent Compensation Objectives

There are at least nine objectives that shape the compensation packages desired by superintendents. The following questions will assist superintendents in deciding whether the compensation package meets their objectives:

Current income. To what extent does the compensation package meet the need for current income through salary payment and salary equivalent fringe benefits?

Job security. What assurances are there that the position can be long term, that the option for contract renewal is assured and that there will be adequate compensation for an early termination of employment?

Performance reward. What opportunity is there for increased compensation based on excellent performance?

Current compensation security. What compensation elements assure continued current compensation in the event of accident, sickness or death?

Community acceptance. To what degree will the compensation package be acceptable to the community at large and the school system and not interfere with job functioning or longevity?

Future compensation security. What provisions are made for appropriate income and benefits upon retirement and to what degree are future income and benefits transferable upon leaving for another position?

Job definition. To what extent does the compensation package provide time for other activities?

Job enrichment. What provision is made for activities that may be enriching to the superintendent?

Job transition. To what degree are the costs of moving to the community to accept a superintendency borne by the school system through the compensation package?

IMPACT OF COMPENSATION ELEMENTS

Salary and various fringe benefits, contract provisions and other compensation elements make a particular contribution to certain of the superintendent's objectives. Exhibit 10, "Compensation Objectives and Corresponding Elements," displays the compensation elements and links them to compensation objectives held by superintendents. In this exhibit, the nine superintendent's objectives are presented, and the compensation elements described in Appendix B are listed.

ASSESSING COMPENSATION ALTERNATIVES

The compensation objectives and associated compensation elements form an appropriate framework for assessing the alternative mix of compensation elements proper for each situation. It is recommended that the total compensation package for the superintendent be determined in three steps: assessing the current compensation package, determining practices in comparative jurisdictions and identifying compensation alternatives.

Assessing the Current Compensation Package

To assess the current compensation package, it first is necessary to have a written description of it. Each compensation element should be summarized, and the cash value of that compensation element and rationale for the assigned value should be listed.

Next, the current compensation package should be reviewed in light of both the board's and superintendent's objectives. Furthermore, both the board members and the superintendent should assess the compensation plan utilizing each set of objectives. Exhibit 11, "Assessment of Current Compensation Package," presents a format in which this evaluation can be easily and appropriately accomplished. It shows each objective for the board and the superintendent. It provides the opportunity to assess the degree to which the current compensation package meets each objective.

The second column poses the question for the school board members and superintendent: What is the current compensation package's ability to meet this objective? The response will be either unacceptable (-), acceptable (0) or appropriate (+).

The third column is used to note, where necessary, possible ways for adjusting the compensation package to meet the compensation objective under consideration. This can lead to a listing of possible changes which may be appropriate in the compensation package.

Determining Practices in Comparative Jurisdictions

Once the current compensation package has been assessed and attention is focused on particular compensation elements and changes in them, it is important to review current practices in selected comparable jurisdictions. Although the Education Research Service (ERS) provides national data on fringe benefits, the actual decision making requires more specific information than is available through this source. It is

EXHIBIT 10
Compensation Objectives and Corresponding Elements

Compensation Objective	Compensation Elements
Current income and income equivalent	• Salary • Transportation (car, car allowance, credit card) • Expense fund • Membership dues • Housing provision • Publications allowance • Days for outside consulting • Group health, dental, vision, prescription card • Physical examination
Job security	• Multiyear contract • Rollover provision • Severance pay • Automatic buy-up provision
Performance reward	• Compensation tied to performance-based evaluation • Bonus or merit increment
Current compensation security	• Group life insurance • Paid sick leave • Disability insurance • Paid disability leave

EXHIBIT 10 (continued)

Compensation Objective	Compensation Elements
Community acceptance	● Salary - must have comparability ● Fringe benefits - visible benefits must have community acceptance
Future compensation security	● Retirement ● Portability of retirement ● Annuity ● Professional liability insurance ● Eventual cash value for leave ● Continued health care upon retirement
Job definition	● Annual leave ● Paid sabbatical leave ● Personal leave ● Religious leave
Job enrichment	● Days for outside consulting ● Release time for college teaching ● Release time for national or state professional activity ● Paid sabbatical leave ● Tuition reimbursement for course work
Job transition	● Board payment to retirement system to buy credit for out-of-state years ● Board payment for equivalent annuity ● Moving expenses

EXHIBIT 11
Assessment of Current Compensation Package

Objectives	Assessment Of Objective*	Improvements Needed Or Desired
<u>Board of Education</u>		
Equitability		
Acceptability		
Legality		
Drawing power		
Motivating power		
Retention power		
Link with performance		
Competitiveness		
Fiscal judgment		
Responsiveness		
<u>Superintendent</u>		
Current income		
Job security		
Performance reward		
Current compensation security		
Community acceptance		
Future compensation security		
Job definition		
Job enrichment		
Job transition		

***Key:** Unacceptable (-); acceptable (0); appropriate (+)

recommended that each school district conduct a specifically focused survey, contacting selected jurisdictions to determine particular elements of their compensation packages.

Identifying Compensation Alternatives

With the assessment of the current compensation package and information from comparative jurisdictions, the basic data then are available for identifying alternatives to be included in the compensation package. The process of deciding among alternatives, a critical step, is a part of the compensation decision-making process accomplished at the same time as the determination of salary level. The compensation decision process is discussed in Chapter V.

The Compensation Decision Process

The basic decision regarding superintendent compensation is a relatively simple one. To determine the superintendent's salary level, decide what fringe benefits and other compensation elements should be part of the compensation package and identify contract provisions that relate to compensation. The manner in which this decision takes place, the rationale of the process, the degree of superintendent-board cooperation and the final results have important implications for the ability of the school system to carry out its objectives. It also affects how the board is regarded by school employees and community. Furthermore, the compensation decision is made under three distinct sets of circumstances: when the superintendent is originally employed and given an initial contract, at the time of contract renewal and at the time of annual compensation review.

This chapter focuses on the compensation decision process. It first describes how compensation decisions are made and then discusses the factors that influence board-superintendent decision making. Finally, it recommends a compensation decision-making process and integrates within this process the data framework and value choices regarding community and job requirements and job performance presented in Chapters I through III. It further integrates the decision regarding the aggregate of compensation elements included in a compensation package as described in Chapter IV.

CURRENT DECISION MAKING

In some communities, decisions regarding the superintendent compensation need to be more systematic and based on more comprehensive data. Occasionally superintendent compensation is influenced by salaries of school board members, their perception of superintendent's performance, community criticism or the superintendent's salary in a nearby community. Sometimes there is direct negotiation with the superintendent, who furnishes data. But determining superintendent compensation without thoroughness and comprehensive data should be avoided.

Many school districts use a more systematic procedure in searching for a new superintendent. In most cases, thought is given to the requirements of the job itself and the characteristics of the individual desired for the position. Considerable discussion centers on providing a salary necessary to attract an appropriate candidate and other compensation elements that may enhance the attractiveness of working in the community. A systematic and deliberate process is often used in cities and affluent suburbs.

Some examples may help to describe current practice:

- o In one mideastern county school system, the board president and superintendent discuss the superintendent's compensation at one of their regular breakfast meetings.
- o In a midwestern city, the board informs the superintendent, with little discussion, what his salary increase will be.
- o In a southern city, the longtime board president sets the compensation increase, then talks with the superintendent to gain agreement, and, finally, goes to the board to present the recommendation.
- o A county superintendent in the Southeast sets his performance objectives and reports to board of education on success in meeting those objectives. Discussion of his compensation follows this presentation.

FACTORS INFLUENCING DECISION MAKING

A number of factors are important in the way school boards and superintendents reach compensation decisions. These factors include precedent and history, particular board characteristics, superintendent characteristics, salary structures and the type of process used to make the compensation decisions.

Precedent and History

Critical factors in the community are the precedent for salary decision making and the history of educational affairs. Where, by precedent, the decision-making process has occurred in a particular way, there is a strong tendency for it to continue.

If the community has gone through an especially bitter fight over an important issue such as integration, the dominant factor influencing compensation is the message intended for the community. Superintendents report less likelihood of a substantial raise under such circumstances.

In seeking a new superintendent, if there has been dissatisfaction with the previous superintendent, there is a tendency to provide higher salary in hope of an improvement with the next person. In contrast, if the board has been satisfied with the incumbent, the salary offered the new superintendent will often be less.

Even the history of the search for a superintendent may be a factor. If, for example, the board conducted a search outside the school system and obtained a superintendent who did not perform satisfactorily, there is greater likelihood that the next decision will not entail an outside search and will involve a choice from within.

Board Features

The characteristics of individual boards of education have an important effect on compensation decision making. Board members tend to bring their own experiences as employees and employers to the decision-making process. Some feel that when doctors or other professionals sit on the board, there is less resistance to salaries that may be compatible with those earned by the professional board members. There is speculation that when all board members receive lower salaries, there is difficulty

understanding and supporting higher compensation.

The dynamics of board action including the interaction among board members is significant. One board member with strong feelings can influence the sentiments of the entire board toward a particular decision, especially if that board member favors holding the line on salary increases.

Superintendent Features

The superintendent, his characteristics and his particular career stage have an important influence on the compensation decision. In an initial contract, the new superintendent may be offered a lower salary because he is new. For the 15- to 20-year career superintendent, salary is unlikely to increase as rapidly on an annual basis as a new superintendent's salary. Furthermore, superintendents who are "career bound" are likely to command higher salaries than those who are "place bound" and anticipate staying in one community for their career.

The superintendent's approach to compensation is also a significant variable. Young superintendents may be more aggressive in seeking salary increases because their needs are greater and the risk of job change is not as great. These factors often influence salary level. Whether a superintendent comes from outside or inside a school district makes a difference, too. Some superintendents use a strategy of establishing the reputation of being "hot property" because they believe it influences the decision regarding salary improvement.

Salary Structure Features

There are a number of features within the salary structure itself that influence compensation decisions made by boards and superintendents. One important factor is the amount the state contributes to the superintendent's salary. If state aid is low, salaries tend to be low, but there can be relatively high variation, depending on local contribution.

In many states such as Arkansas, New Jersey, Indiana, Pennsylvania, Delaware, Mississippi, and Florida, superintendents report teachers' salaries represent the dominant factor in compensation decisions.

Superintendents are elected in a number of states, and elected superintendents tend to be paid less. In Florida, for example, the maximum compensation of elected superintendents is established by state law and is approximately half the salary level of appointed superintendents. In Mississippi, approximately half the superintendents are elected and are paid less. This is true also in Alabama and Georgia.

Decision-Making Process Features

Decisions are also influenced by the process itself. For example, when a new superintendent is sought from outside the school district, the salary level used in advertising determines to an important degree the quality of candidates applying for the position.

The timing of the compensation decision is important. When the superintendent's salary is set at the same time as salaries of other administrators, there is a stronger relationship between superintendent compensation and that of other administrators. Often, the superintendent's salary is set at the conclusion of the budget process, and this, too, creates a stronger relationship between the salaries of other school employees and

that of the superintendent.

RECOMMENDED DECISION-MAKING PROCESS

This section of the report discusses the basic concepts underlying the recommended compensation decision-making process and describes the way data and value considerations mentioned in Chapters I through IV become part of the process.

Basic Concepts

The salary, fringe benefits, contract provisions and other compensation elements that comprise the superintendent's compensation package should represent a joint decision that maximizes the objectives of the school board and the superintendent. This can best be accomplished through a decision-making process that sets in advance the basis for the decision and the activities involved. The board of education needs to accomplish its objectives, as set forth in Chapter IV, and needs a sound basis for defending its position to the community. The superintendent needs to accomplish his or her nine objectives described in Chapter IV. Proceeding in a well-understood, thorough, rational and deliberate way will maximize the opportunities for both the board and the superintendent to achieve their objectives.

The Decision-Making Process

Although the process will vary depending on whether the compensation is being determined for an initial superintendent's contract, a contract renewal or an annual review, the basic process remains the same. It will be described in the following paragraphs. Considerations are noted that distinguish the initial contract decision-making process.

Exhibit 12, "Compensation Decision Making Activities," summarizes the activities described in Chapters I through IV. These activities provide basic compensation data. They include an assessment of descriptive community characteristics, community requirements for the superintendency and comparability with other community jobs. The activities also include a process for evaluating the superintendent's performance and assessing those compensation elements to be included in a compensation package.

Exhibit 13, "Compensation Related Meetings Between the Board of Education and the Superintendent," summarizes the board of education meetings at which the superintendent's compensation should be discussed as a part of an annual cycle for compensation review. The first and last dates of the cycle may vary from community to community.

As Exhibit 13 shows, in the first month of the cycle, the superintendent should prepare for board review and approval the overall compensation decision-making cycle, including the activities and board discussion topics for the remainder of the year. The superintendent should also present to the board the activities related to evaluation and should present objectives and plans for the year that are based on staff and community feedback on areas of needed improvement.

At the six-month point, the board should review the superintendent's objectives and progress to date in meeting those objectives.

In the eleventh month of the annual cycle, the superintendent should present to the

Compensation Decision Making Activities

Basic Compensation Data (Chapter II)

- Select data comparison items
- Collect data
- Develop salary comparison charts
- Conduct initial analysis
- Discuss descriptive community characteristics
- Complete the Descriptive Indicator Rating Chart

Determining Job Value (Chapter III)

- Assess community requirements for superintendency
- Assess community job comparability

Evaluating The Superintendent (Chapter IV)

- Establish evaluation cycle
- Prepare procedure for identifying areas for improvement
- Develop feedback on areas for improvement
- Prepare objectives
- Review objectives
- Develop plan of action
- Review plan of action
- Prepare interim reports
- Conduct interim progress review sessions
- Prepare self-evaluation
- Review self-evaluation and assess results

Assessing Compensation Alternatives

- Assess the current compensation package
- Determine practices in comparative jurisdictions
- Identify compensation alternatives

Annual Review And Contract Renewal

- Establish annual cycle for compensation review
- Identify yearly activities and responsibilities
- Establish meetings, agenda, and data requirements

board for brief discussion some information that will set the stage for the compensation review one month hence. This information includes the following:

- o Data items to be used for salary comparison
- o A review of the descriptive community characteristics
- o The current compensation package with the information necessary for its assessment
- o Information on community positions for comparative purposes.

The board should review the data comparison items to assume agreement on what data will be used as the basis of comparison. The board should briefly discuss the descriptive community characteristics to verify that their community's characteristics are reflected in the selection of data comparison items. The current compensation package should be reviewed at this point to identify and incorporate fringe benefits and other compensation elements in the data collection process. Finally, possible community occupations need to be identified for comparative purposes so that data can be gathered about them.

It is recommended that two meetings be held in the twelfth month of the annual cycle. The superintendent's evaluation provides important data that contributes to the compensation decision. However, the objective-based evaluation has much broader purposes than compensation. To assure the focus is not entirely on the compensation issue, it is necessary to separate those deliberations.

The second meeting in the twelfth month of the cycle should be used to determine the superintendent's compensation. The board may wish to have the superintendent present during an initial presentation of salary comparison data and other data related to the community, the superintendent's job and the compensation package. The board should have the superintendent's views on those elements in the compensation package considered important.

At this point, the board should use the data to arrive at its compensation decision. This process may include the following steps:

- o A review of the "Salary Comparison Chart" (Exhibit 2)
- o A review of the "Descriptive Indicator Rating Chart" and determination of its impact on the relative placement of superintendent's salary (Exhibit 5)
- o A review of the "Community Requirements For Superintendency" score and its impact on the superintendent's salary (Exhibit 6)
- o A review of the "Job Factor Comparison Chart" and its impact on superintendent's salary (Exhibit 7)
- o A review of the "Superintendent's Evaluation Rating Chart" and its impact on superintendent's salary (Exhibit 9)
- o A discussion of the compensation elements, their trade-offs with salary level and a final determination of the superintendent's salary and compensation package (Exhibit 11).

EXHIBIT 13

Compensation Related Meetings Between the Board of Education and the Superintendent

Meeting Date	Agenda Items
Month #1	• Establish compensation decision-making cycle • Establish evaluation cycle • Determine superintendent's objectives and related plans
Month #6	• Review progress of superintendent's objectives and related plans
Month #11	• Select data comparison items • Discuss descriptive community characteristics • Assess current compensation package • Determine jobs for comparison
Month #12, meeting #1	• Evaluate the superintendent
Month #12, meeting #2	• Review salary comparison data • Discuss descriptive community indicators • Discuss community requirements for superintendency and community job comparability assessment • Discuss superintendent's evaluation • Discuss and determine compensation package

Current Compensation Analysis

Appendix A presents current and historical data on superintendents' contract salaries and how they compare with selected salaries of other administrators. Salary data are presented according to district size, per pupil expenditures and geographic regions. Superintendents' salaries also are compared with those of classroom teachers, local government administrators, bank presidents and hospital administrators.

Enrollment Group

The following table gives average salary data for superintendents by size of the school district enrollment from 1975 through 1978. Districts are divided into four enrollment groups, ranging from 300 to 25,000 or more pupils. The table gives national average salaries for the school years 1974-75 through 1977-78 and also presents average compound annual rates of salary increase from 1975 to 1978. Data for the table was collected by the Educational Research Service, Inc. (ERS).

**Superintendent Contract Salary by Enrollment Group
1974-75 to 1977-78**

Enrollment Group	Year				Average Compound Annual Increase
	1974-75	1975-76	1976-77	1977-78	
300 - 2,499	\$21,282	\$22,830	\$24,339	\$26,516	7.6%
2,500 - 9,999	28,240	30,607	32,561	34,195	6.6
10,000 - 24,999	33,119	34,676	36,303	38,227	4.9
25,000 Or More	38,990	40,619	42,069	44,001	4.1
All systems					
Average	30,338	32,527	33,233	34,875	4.8

Source: Educational Resource Service, Inc., Arlington, Virginia.

Average contract salaries for all systems combined rose at a compound annual rate of about 4.8 percent per year, from \$30,338 in 1975 to \$34,875 in 1978. The average salary increased with school district size. Currently, small districts, with enrollments of between 300 and 2,499 pupils have an average superintendent compensation level of \$26,516. The largest systems, with enrollments in excess of 25,000 pupils, averaged \$44,001 for the contract salary of the superintendent. The annual rate of increase for superintendent salary varied inversely with school district size from 1975 to 1978. The smallest systems experienced a 7.6 percent compound annual growth rate compared with only 4.1 percent per year for the largest system.

Superintendent's Initial Contract

To determine an appropriate compensation package for a new superintendent's contract, the same decision-making process may be used, but in a different time frame and with a somewhat different emphasis. The initial salary comparison chart provides important data to assist the board in establishing its advertised salary range for the superintendency. For the superintendent, the same decision-making process is useful in assessing the salary that may be offered for the position. It is likely, however, that each party would gather its data independently.

With respect to community characteristics, the board of education can use these data to further refine its ideas regarding the salary range to be offered. The prospective superintendent can identify questions to ask the board in determining those community factors that may have a bearing on compensation.

The board of education should ascertain the community's requirements for the superintendency before advertising the position. The prospective superintendent needs to know what the community's requirements are for the superintendency and may use this information to assess the compensation that will be requested or the adequacy of the compensation offered. Comparability with other community jobs may be used by the board to determine the salary range to be offered. It is less likely that a prospective superintendent would use such information in assessing the compensation opportunities of a new position.

The evaluation process described in Chapter IV does not relate directly to compensation for a new superintendent but should be considered by the board of education and a prospective superintendent as an agreed-upon condition of employment.

Of critical importance is the thoughtful analysis by the board of education and superintendent of the compensation objectives described in Chapter IV and the compensation elements that the board should offer and the superintendent should ask for, or be willing to accept, as a condition of employment. Compensation decision making is a mutual process whose purpose is maximizing the degree each of the parties is able to achieve its objectives. Thus, the board should be explicit about the salary range and compensation elements it wishes to offer. The board also should give the prospective superintendent an opportunity to present a realistic list of compensation elements that are important. The parties then should discuss these elements.

This process, which really is a negotiation process, is essential because it is a significant initial building block of the superintendent-board relationship. This relationship will have an important effect on the performance of the superintendent and, therefore, of the school system.

Per pupil expenditure. The following table presents superintendent salary data for 1974 through 1978 by per pupil expenditure. As expected, districts with higher average per pupil expenditures recorded higher superintendent salaries. In 1978, contract salaries ranged from a low of \$29,946 for systems spending less than \$1,100 per pupil to a high of \$39,679 for districts with per pupil expenditures of \$2,000 or more. Because of changes in data collection categories, it is difficult to calculate an average compound annual rate of salary increase for the top three categories (\$1,300 per pupil and higher). Rates of superintendent salary increased for districts spending \$1,100 to \$1,299 and less than \$1,100 were 1.5 percent and 2.2 percent, respectively, although these data may not reflect the true increase as the growth in per pupil expenditure changed the population in each category from year to year.

**Superintendent Contract Salary by Per Pupil Expenditure Group
1974-75 to 1977-78**

	Per Pupil Expenditure					Average Of All Systems
	Less Than \$1,100	\$1,100 - \$1,299	\$1,300 - \$1,599	\$1,600 - \$1,999	\$2,000 Or More	
1977-78	\$29,946	\$32,682	\$34,749	\$36,569	\$39,679	\$34,912
1976-77	29,538	32,025	33,689	← 36,825 →		33,176
1975-76	28,918	32,074	← 35,646 →			32,514
1974-75	28,019	31,221	← 34,186 →			30,545
Average Com- pound Annual Increase	2.2%	1.5%				4.6%

Source: Educational Research Service, Inc., Arlington, Va.

Geographic region. The following table shows the trend in superintendent average salaries according to geographic region. The highest average salaries in 1978 were found in the Mideast and Far West (\$38,300 and \$38,144), respectively. The Southeastern and Plains States showed the two lowest averages, with \$32,251 and \$31,280 respectively. Since 1974-75, annual salary growth rates varied from a high of 7.9 percent per year in the Southwest to about 2.7 percent per year in the New England region.

**Superintendent Contract Salary by Geographic Region
1974-75 to 1977-78**

Region	Year				Average Compound Annual Increase
	1974-75	1975-76	1976-77	1977-78	
New England	\$30,120	\$30,550	\$31,894	\$32,613	2.7%
Mideast	34,072	35,500	36,456	38,300	4.0
Southeast	28,339	30,576	30,914	32,251	4.4
Great Lakes	30,362	32,096	32,646	34,308	4.2
Plains	26,582	29,102	29,991	31,280	5.6
Southwest	28,596	32,315	33,445	35,907	7.9
Rocky Mountain	29,794	30,814	31,953	33,612	4.1
Far West	33,288	36,228	36,361	38,144	4.6
All Regions Average	30,338	32,527	33,230	34,875	4.8

Source: Educational Research Service, Inc., Arlington, Va.

Long-term trend. One important comparison is that of professional salaries relative to the consumer price index (CPI) during the 10-year period from 1967-68 to 1977-78. Exhibit A-1 shows the increase in superintendent and classroom teacher salaries versus the CPL. The average superintendent contract salary grew more rapidly than the CPI from 1968 through 1975. Since 1975, however, pay increases for superintendents have fallen behind the increase in consumer prices. Consumer prices have risen by almost 79 percent from 1968 to 1978, while, on the average, superintendent salaries have increased by only about 60 percent.

Teacher salaries, on the other hand, have outpaced the CPI over the past 10 years (Exhibit A-2). Teacher salaries have risen from \$7,373 in 1968 to \$13,941 in 1978. This constitutes an 89 percent increase over 10 years compared with the 79 percent rise in the CPL.

These two trends indicate a slight compression between teacher and superintendent salaries and are highlighted in Exhibit A-3, "Increase In Superintendent and Teacher Salaries." Exhibit A-3 shows that the rate of teacher salary increases has exceeded that of superintendents, especially since 1974. In 1968, the average superintendent earned 2.96 times as much as the average classroom teacher. By 1978, the margin fell to 2.50.

EXHIBIT A-1
**Increase in Superintendent Salary vs. Increase in Consumer Price Index
1967-68 to 1977-78**

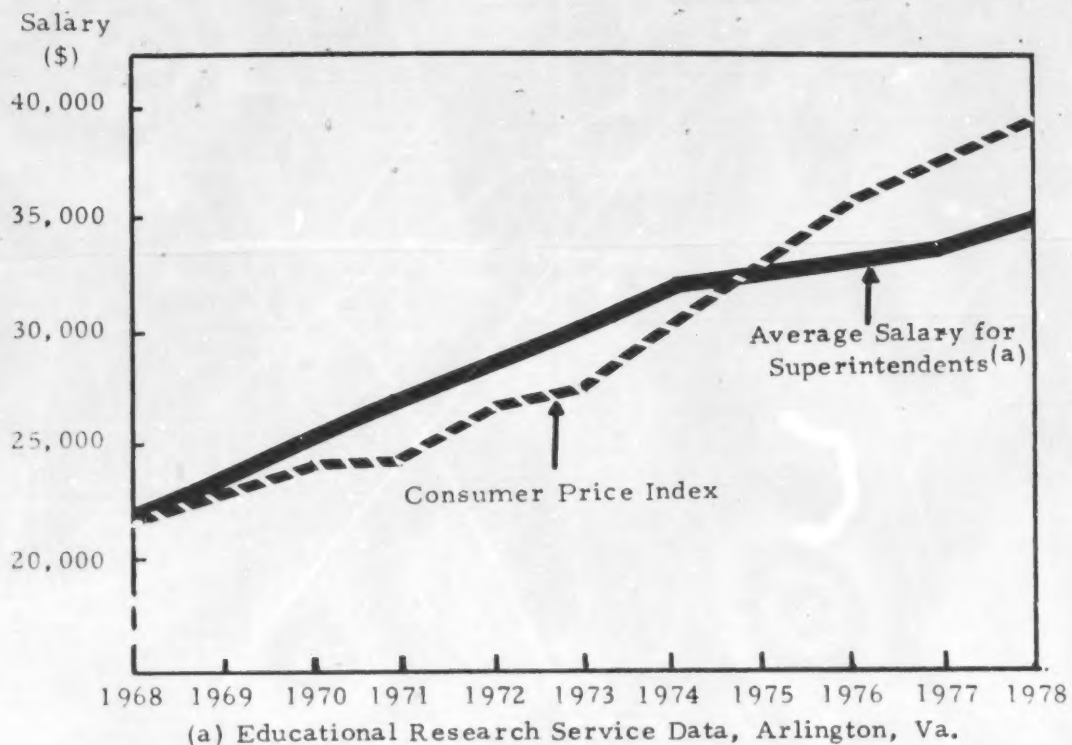
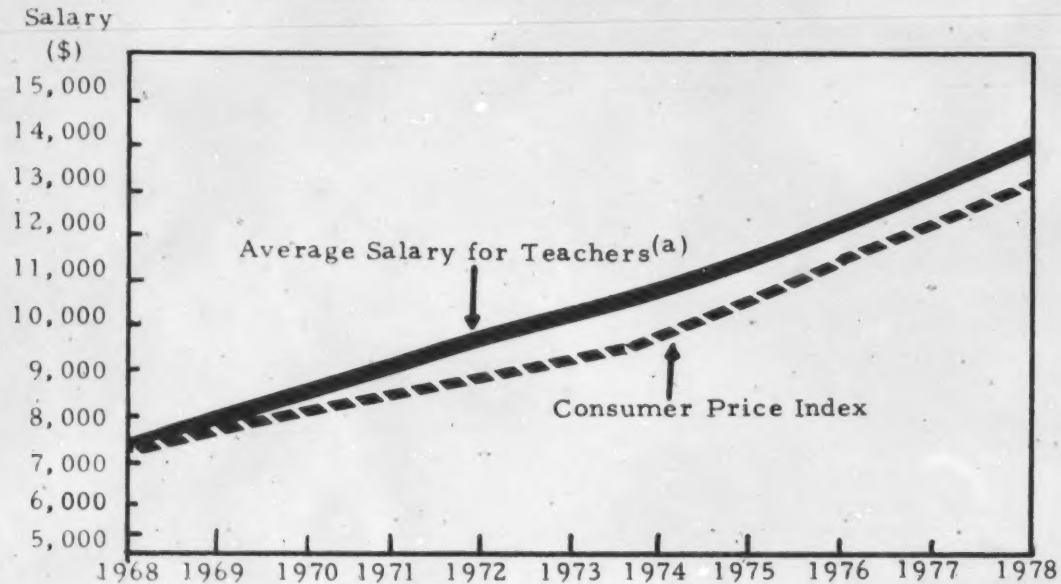
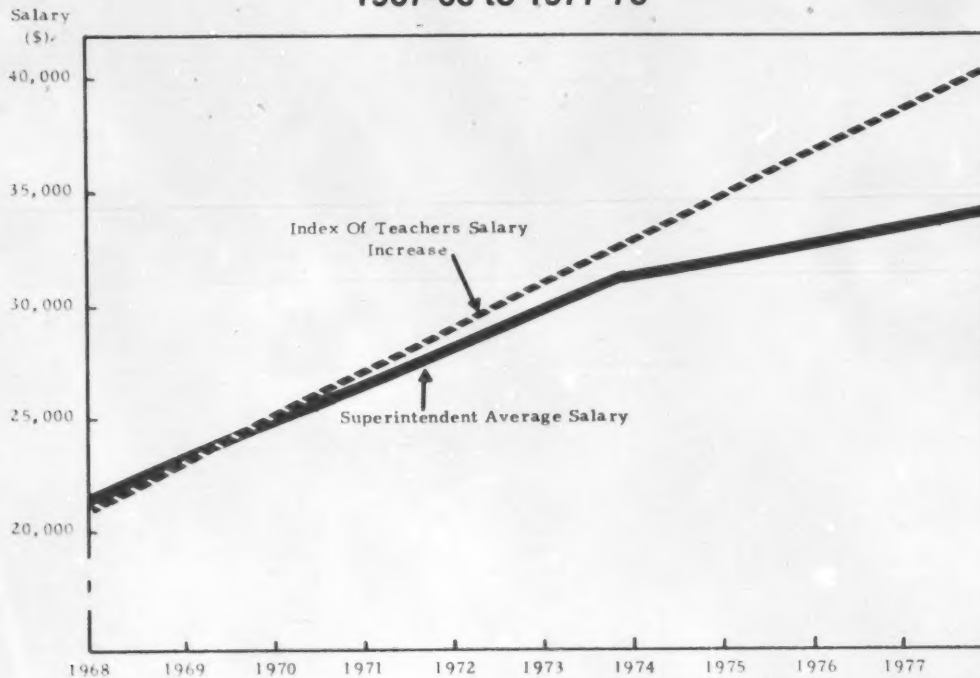


EXHIBIT A-2
Increase in Classroom Teacher Salary vs. Increase in Consumer Price Index
1967-68 to 1977-78



(a) Educational Research Service Data, Arlington, Va.

EXHIBIT A-3
Increase in Superintendent Salary vs. Increase in Teacher Salary
1967-68 to 1977-78



Source: Educational Research Service, Inc., Arlington, Va.

Comparative data. Citizens often compare the school superintendent salary with other elected officials or local administrators. Exhibit A-4, "Comparison of Mean Salaries for Selected Administrators," presents comparative salary data from 1977 for mayors, city managers, school superintendents, county administrators, bank presidents and hospital administrators. The salary figures are stratified by city or county size for mayors, city managers, superintendents and county administrators, by hospital size for hospital administrators and by total bank assets for bank presidents. The salary figure in each category represents an average value compiled from a periodic random survey. Mayor, city manager, superintendent and county administrator salary data are compiled annually by the International City Management Association. Hospital administrator salary data are compiled annually by the Executive Compensation Service of the American Management Association. Bank president salary data for banks with assets less than \$50 million are surveyed biannually by the Bank Administration Institute of Park Ridge, Illinois. Data for larger banks can be acquired from the annual American Management Association executive compensation survey.

Exhibit A-4 suggests that superintendents tend to be compensated at a slightly higher rate than other comparable municipal and county administrative officials. Both hospital administrators and chief executive officers of large banking institutions tend to be better compensated than superintendents of large cities, but those of small institutions are paid less, on the average, than superintendents from smaller school districts.

EXHIBIT A-4
Comparison of Mean Salaries for Selected Administrators
1977

Position	Range (City/County Population 000)									
	Under 2.5	2.5-5	5-10	10-25	25-50	50-100	100-250	250-500	500-1,000	Over 1,000
Mayor ^(a)										
Salary (\$000)							28.8	32.7	41.0	47.9
City manager ^(a)										
Salary (\$000)	14.8	18.3	21.3	26.6	31.3	36.1	41.4	46.0	45.7	-
School superintendent ^(b)										
Salary (\$000)	22.3	24.0	27.0	31.3	33.5	37.2	38.2	40.6	46.8	52.3
County administrator ^(b)										
Salary (\$000)		12.7	19.4	18.7	21.3	23.9	30.9	34.7	40.2	47.8
		Range (Hospital Beds)								
		Under 100			100-300		300-500		Over 500	
Hospital administrator ^(c)										
Salary (\$000)			26.3		37.6		45.5		48.7	
		Range (Bank Assets (Million \$))								
	Under 10	10-19	20-29	30-39	40-49	50-99	100-299	300-499		
Bank President ^(d)										
Salary (\$000)	21.0	27.0	32.5	37.5	37.5	46.9	69.2	71.2		

(a) "The Municipal Yearbook," International City Management Association, Washington, D. C., 1978.

(b) "The County Yearbook," International City Management Association, Washington, D. C., 1978.

(c) "Hospital and Health Care Report," American Management Association Executive Compensation Service, New York, 1978.

(d) "A Biennial Survey of Bank Officer Salaries," Bank Administration Institute, Park Ridge, Illinois, 1977 and
 "Executive Compensation Service Top Management Report," American Management Association, New York, 1977.

Fringe Benefits and Contract Provisions

Appendix B summarizes some of the more common fringe benefits in use today. Exhibit B-1, "Fringe Benefits and Contract Provisions," summarizes the major items found in contracts or otherwise provided for superintendents, lists each benefit, describes the degree to which the benefit is in use today and provides other descriptive comments where necessary.

Nine different categories of fringe benefits are listed: housing provisions, transportation and travel, retirement plans, insurance and health care, professional development, paid leave, severance pay, paid moving expenses and miscellaneous contract provisions. The second column presents the degree of usage, ranging from "widespread" (more than 70 percent of all school districts are likely to offer the benefit) to "infrequent" (fewer than 20 percent of all districts are likely to offer the benefit). The information was supplied by members of the study team as a result of private interviews with school administrators throughout the United States and from a national survey of public school professional personnel fringe benefits conducted by the Educational Research Service, Inc. (ERS), Arlington, Virginia.

A majority of public school systems have some provisions for transportation and travel. Often, a personal automobile is provided by the school district. If a car is not supplied, most school systems provide an allowance for use of the superintendent's personal auto on school system business inside and outside the school district. Most districts also provide an expense account for travel, primarily for trips to state and professional association meetings.

In most school districts, retirement plans are another important aspect of the total compensation package. Commonly, a district provides payments into either a state or local pension fund in addition to the administrator's social security taxes. In some communities, tax-sheltered annuities or other deferred income programs have been established on behalf of the superintendent. The purpose of such a fund is to provide a retirement account that becomes fully vested so that the superintendent can take it when accepting a position in another state.

Insurance and health care plans are another almost universal benefit in use today. A group health insurance plan that furnishes hospitalization, major medical and surgical costs is common to virtually all school districts. Also common are paid sick leave provisions, paid dental care, funded professional liability insurance and group life insurance. Many districts make provision for group life and health insurance plans that cover the superintendent's entire family. Many systems also supply a cash allowance for periodic physical examinations. Less common benefits include vision care, payments for drugs and prescriptions and paid long-term disability leave and insurance.

Professional development benefits continue to be important to an increasing number of superintendents. A commonly found benefit is the payment of membership dues for

EXHIBIT B-1 Fringe Benefits and Contract Provisions

Benefit Or Provision	Degree Of Usage	Comment
• Housing provision	Infrequent	House or apartment provided more frequently in the smaller districts in the Plains and Western states
• Transportation and travel		
- Car provided	Frequent	Nearly all districts have some provision for superintendents travel both within and outside of district.
- Allowance for use of personal car	Frequent	
- Expense account	Widespread	For both in-district and outside travel
• Retirement plans		
- Pension	Widespread	Including state, local and/or social security coverage for personal income tax reasons
- Annuity	Widespread	
- Deferred income plan	Infrequent	Primarily for personal income tax reasons
• Insurance and health care		
- Group health insurance	Widespread	Including hospitalization and major medical including family coverage in some cases
- Dental care	Frequent	Family coverage increasingly common
- Vision care	Infrequent	
- Group life	Frequent	
- Professional liability insurance	Widespread	
- Paid sick leave	Widespread	Generally a fixed number of days per year
• Physical examination	Frequent	About one out of four districts pay full or partial cost of exam.
- Prescription payments	Infrequent but increasing	
- Long-term disability insurance	Infrequent but increasing	
- Paid disability leave	Infrequent but increasing	
• Professional development		
- Tuition reimbursement for coursework	Infrequent	
- Paid sabbatical leave	Frequent	Found less frequently in southern states
- Days for outside consulting	Infrequent	
• Membership dues	Frequent	Commonly paid are dues for AASA and state association and civic organization membership.
- Publications allowance	Infrequent	For purchase of books or subscriptions to journals
• Paid leave		
- Annual leave	Widespread	Average of slightly less than four weeks for the U.S.
- Emergency or personal leave	Widespread	
- Religious leave	Infrequent	
• Severance pay	Infrequent but increasing	
• Paid moving expenses	Infrequent	
• Miscellaneous contract provisions		
- Automatic buy-up provision	Infrequent	
- Roll-over provision	Infrequent	Not legal in some states
- Minimum percentage salary increase	Infrequent	

Key: Widespread More than 70%
 Frequent 26-70%
 Infrequent but increasing 20-25%
 Infrequent Less than 20%

Source: Based on the 1975-76 "National Survey of Fringe Benefits for Professional Personnel in Public Schools", prepared by the Educational Research Service, Inc.

the American Association of School Administrators (AASA), state educational associations and even some civic organizations. Also common is the provision for paid sabbatical leave. Occasionally, some contracts provide for the reimbursement of tuition payments for outside college course work, and in some cases, days are reserved for outside consulting at the discretion of the superintendent.

Paid leave is another fringe benefit given high priority in most school districts. Most common, of course, is paid annual leave. An ERS survey, conducted in 1976, for example, showed superintendents received an average of four weeks paid annual leave. Districts generally offer paid leave in addition to allotted annual leave for emergency or personal reasons. In some districts, additional leave is granted for religious reasons.

Other, less frequent benefits found in some school districts include housing or apartment accommodations and paid moving expenses at the time of relocation. Some systems also offer contract provisions that guarantee a minimum annual percentage salary increase over the course of the contract, allow for the automatic buy-up of a contract under specified circumstances and establish a rollover clause that allows a multi-year contract to be renewed annually at the end of the first year.

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Dr. Paul B. Salmon
Executive Director
American Association
of School Administrators
1801 North Moore Street
Arlington, Virginia 22209

Dear Dr. Salmon:

We are pleased to submit with this letter the American Association of School Administrators Handbook on Superintendent Compensation. This Handbook is the product of the national study of superintendent compensation conducted by Cresap, McCormick and Paget Inc. (CMP). The Handbook presents both the findings of our study and our recommendations, based upon these findings, for practical steps school boards and superintendents can take in arriving at sound and equitable decisions concerning superintendent compensation.

In addition to the Handbook, this letter transmits suggestions to AASA and the Committee for the Advancement of School Administration (CASA) on the use of our study and this AASA Handbook on Superintendent Compensation.

This Handbook has been written with the objective of providing a document that would be pertinent to as broad an audience as possible. The information and practical steps towards decision making that it contains are applicable to the wide range of superintendents in the United States and to their boards of education. As you know, we interviewed superintendents and school board members extensively in the course of this study, and those interviewed represented small and large districts, from all regions of the country, in urban, suburban and rural settings.

We have provided as part of the Handbook an Executive Summary. However, the Executive Summary, and the full Handbook, may not completely meet the needs of those busy superintendents and school board members who wish more than a cursory contact with the information but do not have the time or patience for a thorough examination of the Handbook's contents. It is recommended that AASA develop materials that more extensively summarize the steps which may be taken by superintendents and school boards in arriving at compensation decisions. The use of audio or visual tape presentations should also receive serious consideration. The fundamental substantive findings of the study should be emphasized, as they have implications for the future activities of the American Association of School Administrators. These findings include the following:

- o Currently, board-superintendent decision-making regarding the superintendent compensation is not a systematic, rational data-based process in many communities

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- o The approach to this decision-making process often ignores the mutuality of interest and the essential contractual relationship which this decision represents
- o Many superintendents and school board members have little information about the compensation practices or processes in other communities
- o The lack of portability in retirement benefits from state to state seriously impedes the free flow of qualified superintendent candidates throughout the United States.

It is our recommendation that the Committee for the Advancement of School Administration of AASA consider these observations and the policy and program implications for the American Association of School Administrators. We recommend that the consideration include the possibility of more comprehensive services by AASA in keeping superintendents and school board members informed of compensation practices. Just as the study has been governed by an expanded CASA including several representatives of the National School Boards Association, consideration of the possible use of the Handbook should continue to involve NSBA in this way.

We would like to express our appreciation to the staff of AASA and the National School Boards Association for their assistance with the logistics of our study. We would also like to thank all those superintendents and school board members who agreed to be interviewed by members of our study team.

It has been our pleasure to serve the American Association of School Administrators and its Committee for the Advancement of School Administration on this important study. We believe that the Handbook on Superintendent Compensation should have a significant impact on board-superintendent decision-making.

Very truly yours,

Cresap, McCormick and Paget Inc.
CRESAP, McCORMICK and PAGET Inc.

Acknowledgments

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Further assistance was provided by members of the AASA Executive Committee and members of the Joint AASA-NSBA Committee who reviewed the original manuscript and made valuable suggestions which have been incorporated into this publication. Final editing and production were supervised by Cindy Tursman, managing editor, AASA.

Members of the AASA Committee for the Advancement of School Administration (CASA):

Dr. Robert G. Binswanger, University of Maine; Dr. Anne Campbell, Nebraska Commissioner of Education; Dr. Joseph M. Carroll, Masconomet Regional High School District; Dr. Eugene R. Hertzke, Central Kitsap School District No. 401; Robert N. Fortenberry, Jackson Public Schools; Dr. Willard Fox, Bowling Green University; Evelyn Kipp, Newark Unified School District; Dr. William J. Ellena, Charlottesville Public Schools; Dr. Louis G. Zeyen, American Association of School Administrators; Dr. William G. Stevenson, Shoreline Public Schools; Nellie Weil, Montgomery, Ala., and Jonathan T. Howe of the firm of Jenner & Block.

Members of the Joint AASA-NSBA Committee included:

NSBA: Margaret S. Buvinger, Martha Crowley, Loretta Manwaring, Tess Norris, Hiroshi Yamashita, and Thomas A. Shannon.

AASA: Olin Stratton, Richard Miller, Elden Amundson, Raymond Arveson, Alonzo Crim, and Paul B. Salmon.